

**Local Agency Formation Commission
Of Modoc County
Regular Meeting**

Minutes of April 10, 2012

1. Call to Order:

Chairman Bullock called the meeting to order at 5:03 pm, in the City Council Chambers, Alturas City Hall. Commissioners Dederick, Schreiber, Neer, Bullock and Allan were present. Commissioner Alternate Jerry Shea and Shorty Crabtree were also present, as well as Planning Director Kim Hunter.

Staff Present: John Benoit, Executive Officer and Stephanie Wellemeyer, Clerk

Pledge of Allegiance

2. Approval of Agenda

Commissioner Dederick made the motion to approve the agenda as submitted; seconded by Commissioner Allan. In favor: Unanimous.

3. Correspondence

None to report at this time.

4. Approval of Minutes:

The minutes are waived until next meeting as they are not available.

5. Public Comment

None.

PUBLIC HEARINGS

6. Sphere of Influence Update for the Daphnedale Community Service District

- a. Receive Executive Officer's report and conduct public hearing on the Sphere of Influence for the Daphnedale Community Service District located north of the City of Alturas*
- b. Adopt Resolution 2012-0001 approving a Sphere of Influence Update for the Daphnedale Community Services District.*

Executive Officer Benoit reports they approved a Service Review for Daphnedale but they didn't adopt the SOI at that time. The City had no interest of taking them over and they have no interest of becoming part of the City. The recommendation is that the sphere will be coterminous with its boundaries. There is need for the district to continue coordination with the City, to keep things current and that hasn't been happening

Stephanie Hoover submitted a draft resolution between the City and the District. Commissioner Schreiber doesn't think this is going to work any way shape or form because they have no way to collect the money just as the district has no way to collect the money unless they take it to court.

Commissioner Alternate Shea states that on page 8, under item 4.3 it states is not probable for the City to annex the area. However, 4.4 states they should negotiate a separate Assessment District and an updated maintenance contract for Daphnedale. He thinks this suggested resolution is the first step in a joint powers agreement. Executive Officer Benoit notices LAFCos name is on the resolution and they shouldn't have anything to do with it, it should be between the two parties. He clarifies that Commissioner Schreiber would want them to collect the whole amount from the district not from the individual property owners. He suggests they meet with each other and not in this forum to discuss this.

Commissioner Allan asks if this has come to a legal procedure as to why the City couldn't collect water/sewage fees. Commissioner Dederick states in the City they can shut off the water which they wouldn't be able to do here. They could put a lien on the property but that would take five years to pursue. Bill Goltz feels this would be the first step to getting something done and meeting their goals. Commissioner Dederick states that the people that want to pay monthly can do that and their staff can train them. Ms. Hoover doesn't think it should go to a lien if a contract was done. Commissioner Dederick states if the district guaranteed payment that would be different, but if it's on the property taxes and they aren't paid they won't see that money for a minimum of five years. Commissioner Alternate Shea asks if there is direction we can give them to pursue this. Commissioner Dederick suggests they come back to the City Council meeting and they can provide the resolution to their attorney for review.

Commissioner Bullock asks if they are talking about an assessment on the tax bill and if they want to remove it. Yes. He suggests they talk to the Auditor and/or Tax Collector to see if that is even an available option to them before they move forward on this.

Commissioner Neer asks if this was to pass would there be a billing cost. Mr. Hoover states she mentioned that but if it was broke down monthly instead of annually she doesn't think it would be a problem.

b. Commissioner Allan made the motion to adopt Resolution 2012-0001 approving a Sphere of Influence update for the Daphnedale Community Service District; seconded by Commissioner Neer. In favor: Unanimous.

7. Municipal Service Review and Sphere of Influence Update for the Adin Community Services District

- a. *Receive Executive Officer's report and conduct public hearing on the Municipal Service Review and Sphere of Influence for the Adin Community Service District.*
- c. *Adopt Resolution 2012-0002 approving a Municipal Service Review for services provided by the Adin Community Services District.*
- b. *Adopt Resolution 2012-0003 approving a Sphere of Influence Update for the Adin Community Services District.*

Executive Officer Benoit prepared a Draft Service Review, and has received some comments since February and they are incorporated into the documents within the packets. The area is not expected to grow a lot. The infrastructure for waste water collection and treatment is adequate. The one thing they found is the collection system would benefit with backup generators for each pump. The Fee schedule should be looked at annually to make sure there is enough funding to cover costs. They found that the Director's should not have their fees waived, they should receive a \$50 stipend for attending a meeting instead. Determination for shared facility was much more difficult since they aren't close enough to anything else. They should remain a district since there is no opportunity for consolidation. Recommendation is the district should be coterminous with the district boundaries.

Commissioner Dederick asks how these CSDs collect fees. Some are collected on the tax bill, but most of them collect it directly. Planning Director Hunter states section 3.8 reports that the secretary sends out bills monthly.

b. Commissioner Dederick made the motion to adopt Resolution 2012-0002 approving a Municipal Service Review for services provided by the Adin Community Service District; seconded by Commissioner Allan. In favor: Unanimous.

c. Commissioner Allan made the motion to adopt Resolution 2012-0003 approving a Sphere of Influence update for the Adin Community Service District; seconded by Commissioner Neer. In favor: Unanimous.

8. Municipal Service Review and Sphere of Influence Update for the Last Frontier Healthcare District and the Surprise Valley Healthcare District

- a. *Receive Executive Officer's report and conduct public hearing on the Municipal Service Review and Sphere of Influence for the Last Frontier Healthcare Service District and the Surprise Valley Healthcare District.*
- b. *Adopt Resolution 2012-0004 approving a Municipal Service Review for services provided by the Last Frontier Healthcare District and the Surprise Valley Healthcare District.*
- b. *Adopt Resolution 2012-0005 approving a Sphere of Influence Update for the Last Frontier Healthcare District and the Surprise Valley Healthcare District.*

Commissioner Alternate Shea introduces Kelly Gentry who is the new Administrator for Surprise Valley Healthcare District. He introduces Jim Laacke who is also present and is a Board member.

Executive Officer Benoit reports they have received some comments from them. This is a living document and what may have been true two months ago, may not be true today and we can correct that. The district boundaries and spheres are coterminous. He also received comments from Dick Steyer on the Last Frontier Healthcare District. Many people want to do away with these types of districts because they can do more than just operate a hospital. These two both do operate hospitals so that is not a factor here. He heard from the Executive Officer in Shasta

LAFCo and they are interested in doing an annexation into that area. There is continuous need for healthcare in the county. The population in the area relies on Medicare and MediCal to provide healthcare needs. Those are provided with the goal to meet the healthcare needs of the area. Each district has a tax. There is an issue of whether the LFHD will conclude because they have the impression that there is a time frame on that. The LFHD goal is to have a suitable facility by 2020. Both districts maintain websites, but he would like to see more contact information on them. They have reasonable budgets, show accountability, do audits. One thing is having a healthcare district leads to better community economic health. In terms of governance options, they could have a countywide healthcare district but they saw no reason to recommend that these two be merged. The district boundaries and their spheres should be coterminous.

Commissioner Bullock asks if the LFHD wanted to expand into Adin would it come to this LAFCo. Yes, but they would need to follow procedure.

Commissioner Allan asks about page 33 stating that they have until 2020 to build a new facility, but it states that SVHD has adequate facility. Why is that? They need to meet state laws and he would have to find the statutes. One is that it needs to be earthquake standards.

Kevin Kramer, COO of MMC, states that they are a SPC1 facility as determined by the State which is related to seismic compliance. He believes Surprise Valley went through an extension process and they are under an SPC2 which has pushed out their deadline farther than MMC.

b. Commissioner Dederick made the motion to adopt Resolution 2012-0004 approving a Municipal Service Review for services provided by the Last Frontier Healthcare District and the Surprise Valley Healthcare District; seconded by Commissioner Allan. In favor: Unanimous.

c. Commissioner Dederick made the motion to adopt Resolution 2012-0005 approving a Sphere of Influence update for the Last Frontier Healthcare District and the Surprise Valley Healthcare District; seconded by Commissioner Neer. In favor: Unanimous.

9. Conduct Public Hearing on the Proposed 2012-2013 Budget or Modoc LAFCo

- a. *Review staff budget report and adopt Resolution 2012-0006 approving a proposed budget for fiscal year 2012-2013.*

Executive Officer Benoit provides a work program as an estimate of what they could be doing next year, and then discusses the budget categories. We have a couple projects that are in progress now. On the last page of the resolution there is a spreadsheet of the recommended budget which is slightly lower than this year. The Commissioner's Stipends will have no change as well as the Liability Insurance, and there will be a slight change in Memberships for Calafco. Office expenses-Printing, Postage, Communications, Legal Counsel, Executive Officer, Clerk, and Transportation and Travel are the same. The conference is in Monterey in October and he

estimates it will be about \$1400-1500 to send someone there and there is a budget to send one person.

Under the MSR updates he did a slight reduction to that. The contingency he left at 10% of the budget. The split between the City and County would be \$20,832.55. We are within budget and haven't been overspending on anything.

Commissioner Neer made the motion to adopt Resolution 2012-0006 approving a proposed budget for fiscal year 2012-2013; seconded by Commissioner Allan. In favor: Unanimous.

Action Items:

10. Ratify Claims for February 2012 and Authorize Payment of Claims for March 2012.

- a. Approve payment of expenses for March 2012 and ratification of the February 2012 expenses.*

Commissioner Neer made the motion to approve payment of expenses for March 2012 and ratify the claims for February 2012; seconded by Commissioner Dederick. In favor: Unanimous.

11. Executive Officer's Monthly Report

Executive Officer Benoit discusses legislation. One bill proposed will include an unfunded mandate and research mandate for LAFCo. AB2238 would require LAFCOs to determine the accountability and compliance with the Drinking Water Act. They are opposed to the bill and are urging the author to amend it. This will be a mandate for the City's General Plan more than the County's General Plan.

He has been talking to Cal Pines about incorporating, and they need 500 registered voters and they only have 297 so they don't meet the threshold. There are some land use complications with being in an SRA and they are trying to get out of an SRA so as not to pay the Calfire fee.

Planning Director Hunter reports they are talking about the lake units and not the hill units but they still fall under the SRA. There are two areas that have recently been converted; one is the Likely Golf Course and the other was a property outside of Canby. These were fairly simple until this SRA fee came up and has now made it more difficult.

Commissioner Bullock received a letter from Assemblyman Nielsen reporting that it passed the subcommittee to get rid of the fee and it will be coming to the floor for a vote which could be a good thing for us hopefully.

Commissioner Alternate Shea asks if it would be beneficial for the County and City to send a letter supporting the legislation done by Assemblyman Nielsen. Executive Officer Benoit states the County has done that already and this won't affect the city. Would Modoc LAFCo have any influence? Not sure it would, and he would rather wait until it hits the Governor's desk.

Executive Officer Benoit states that one of the 2011 bills was SB89 which disincentivized city inhabited areas. The city wouldn't get any VLF from that area. SB1566 has bipartisan support and hopefully if it gets through the VLF backfill would come into these annexed areas. These have been hurting the cities as less revenue has been coming in. We are in support of that bill.

12. Commissioner's Reports – Discussion

Commissioner Allan states in regards to the SRA fees, if it is passed it will trigger a lawsuit because people don't fill this is constitutional. We'll just take this one step at a time.

Commissioner Bullock thanks the people from Daphnedale for coming in and fighting for this. He encourages them to continue on with this.

There being no further business to come before this Commission; Commissioner Dederick made the motion to adjourn the meeting; seconded by Commissioner Neer. In favor: Unanimous

The next meeting will be held June 12, 2012 at 5:00 p.m.